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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Industrial Division, ORR

DATE: 5 January 1960

FROM : Chief, Military Economics Branch, D/I

SUBJECT: Activity Report for December 1959

ME

1. Status of Branch Projects

a. 39.2381, Soviet Military Manpower, 1947-58

25X1A9a

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This report continues to be our next priority item. The review in the branch has been delayed because [redacted] has been involved in the editorial phases of his own project and in finalizing our contribution to NIE 11-4-59 and our comments on the military expenditure paper.

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due St/PR - 29 Jan 60

b. 39.2383, The Methodology of US Estimates of Soviet Military Expenditures

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This project is in St/PB. A final edited draft is expected shortly. One internal coordination step is yet to be completed and service comment has yet to be solicited.

c. 39.2384, Soviet Military Expenditures, 1947-63

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This project was completed and reviewed in the Division Office. One internal coordination step has not been completed as yet. It has been decided that the scope of the project must be changed and the data revised to reflect contributions to NIE 11-4-59. It is planned that service comment will be solicited in conjunction with Project 39.2383.

due July 59

due late
St/PRd. 39.2760, Value of Output of Soviet Land Armaments, 1950-59

25X1A9a

Further review of the status of this project has been held with the responsible analyst. He is continuing work on the initial draft. It does not seem likely that a satisfactory draft will be completed in time to meet the scheduled deadline.

due St/PR - 29 Feb

lots wait till

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- ✓ e. 39.2765, Soviet Air Forces Personnel Pay [REDACTED] 25X1A9a

By reason of a change in assignment of the responsible analyst following the resignation of [REDACTED] 25X1A9a this project's completion will be delayed several months.

- ✓ f. 39.2766, Maintenance and Operation Expense for Soviet Military Motor Vehicles and Armored Vehicles [REDACTED] 25X1A9a

Composition of the first draft is continuing along with computation of various use factors which will underlie data presented in the paper. ACSI, Army, was contacted for the purpose of comparing use factors on vehicle maintenance and POL consumption, and to obtain required Soviet military organizational information.

- ✓ g. 39.2850, Soviet Economic Capability to Support Military Programs Through 1970 (NIE 11-60)

Draft contribution has been prepared and is now in the process of being reviewed.

2. Status of Support Projects

- ✓ a. 10.2200, Soviet Capabilities and Probable Courses of Action Through 1964

The final version of the contribution to this project was furnished in the form of worksheets and the final version of Project 30.2201.

- ✓ b. 10.2677, Soviet National Accounts, 1958

The contribution to this Project was submitted to A/U on 2 December 1959.

- ✓ c. 30.2201, Soviet Military Expenditures Through 1964 (NIE 11-4-59)

The final versions of the contribution to this project were submitted on 16 and 22 December respectively.

- ✓ d. 30.2204, Sino-Soviet Bloc Air Defense Capabilities [REDACTED] 25X1A9a

Work on this project is proceeding apace.

- ✓ e. 30.2455, Value of Military Materials Exported by the Sino-Soviet Bloc to Underdeveloped Countries, 1955-58
25X1A9a [REDACTED]

This project has been submitted for Branch review and will follow after Project 39.2381 in priority.

- ✓ f. 30.2603, Soviet Capabilities for Strategic Attack Through Mid-1964 (NIE 11-8-59)

Finalization of this project occurred at ONE during the past month.

- X g. 40.2633, Review of Soviet Bloc Foreign Economic Activities (Jul-Dec 59)

No formal terms of reference have been received.

3. Changes in Estimates

A number of significant changes in the projected course and mix of Soviet military procurement have been incorporated in our recent contribution to NIE 11-4-59. ✓

4. Relationships with Other Components

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a. To support [REDACTED] in connection with its work for the Joint Disarmament Study Group and to support certain other work at [REDACTED] extensive materials on ruble ratios, military expenditures pay of Soviet Air Forces' personnel and the formulation and execution of policy for Soviet weapons were prepared and transmitted. ✓

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b. [REDACTED] visited [REDACTED] on 16 December.

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c. [REDACTED] visited the Branch to discuss with [REDACTED] a report on the production of medium tanks in Communist China.

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d. In connection with a visit with analysts at headquarters ACSI, US Army, [REDACTED] was apprised of the fact that a substantial number of Soviet citizens of German origin have recently reached Western Germany. Because representations were made to the effect that these people were potentially a better source than the [REDACTED] St/I/R was apprised immediately with a view to ascertaining the possible availability of these sources. ✓

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5. Future Plans

25X1A5a1 [REDACTED] It is expected that some further work will be done in support of [REDACTED] and it is hoped that our present backlog of papers can be readied for publication shortly.

6. Other Problems and Recommendations

None.

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